GENERAL

Premier Spaak's views on Israeli aggression-Belgian Premier Spaak has expressed to US Ambassador Kirk in Brussells his concern over the Palestine situation, declaring that the "small military successes" of the Israelis have gone to their heads. Spaak regards the recent advance into Egypt as very dangerous and expresses his understanding of the UK's concern over the incident. Spaak believes that Israel's "martial ventures" must be ended as quickly as possible, and he suggested that the US would do well "to put the brakes on the Provisional Government of Israel."

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the advancement of closer economic and political integration of western European nations as these nations themselves think practicable; (b) the nature and location of facilities necessary for the security of the North Atlantic area could only be determined in the future by consultative machinery in which all parties would be represented; and (c) the US fully realizes the importance of Spain to Portugal but believes that non-inclusion of Spain at this time should not be a deterrent to Portuguese participation in such a pact.

FAR EAST

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4. CHINA: Nationalists ask mediation by major powers—The Chinese Acting Foreign Minister handed similar aide memoires on 8 January to the US, French, Soviet and British ambassadors inviting their governments to mediate the Chinese civil war. US Ambassador Stuart reports his agreement with French and British ambassadors that by this move the Chinese Government is playing for time and is trying to avoid the loss of face which would be involved in a direct approach to the Communists. The ambassadors point out that if the Government were sincerely interested in such negotiations, it could undertake them without outside assistance. The three ambassadors further believe there is little chance of successful mediation because it is unlikely that the USSR would participate in good faith.

Chiang's resistance strengthened--US Embassy
Nanking reports that the vitriolic Communist rejection of
recent Nationalist peace offers has strengthened Chiang Kaishek's conviction that true peace negotiations with the Communists are impossible and that the Government must consequently continue the fight "all the way to Taiwan" if necessary.
The Embassy considers the most likely immediate developments to be: (a) the resumption of fighting by the Communists;
(b) a further deterioration of the Nationalist will to fight; and
(c) the continued authority of Chiang with a resultant paralyzing
effect on Li Tsung-jen and others in the "peace group."

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